



US Army Corps of Engineers
Headquarters

Information Paper

June 18, 1999

**SUBJECT: U.S.ARMY CORPS OF ENGINEERS (USACE)
VALUE ENGINEERING (VE) PROGRAM**

1. The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), as amended in 1996, requires each executive agency to establish and maintain cost-effective Value Engineering procedures and processes. The Office of Management and Budget (OMB) Circular A-131, requires Federal agencies to apply VE procedures to all projects with estimated costs of \$1 million or more.
2. The USACE Value Engineering Program has been a leader in applying the Value Engineering Methodology to construction projects since 1964, solidly demonstrating Corps cost effectiveness. Historically the program has returned 20 dollars for each dollar spent on the VE effort, and has documented over \$3.1 billion in savings and cost avoidance since inception.
3. The basic thrust of the program is to provide the required project at the lowest life cycle cost while maintaining or enhancing the project quality. Although, not documented, savings are repeated many times by incorporating proposals into similar follow-on projects. We are confident that these unmeasured increases in design quality and cost effectiveness are substantial.
4. The Corps has recently used Value Engineering: as a problem solving tool, to prepare project scopes, to negotiate environmental contracts, to provide optimization in planning, to provide project review, to provide planning assistance to states/communities, and to ensure project coordination with sponsors, customers, and users.
5. The Corps regularly helps other Federal agencies initiate their VE programs by advising their headquarters offices, exporting our established training workshop and by furnishing teams to perform VE studies. A brochure with VE examples, and a Value Engineering Change Proposal (VECP) pamphlet for contractors (EP 11-1-4) are available.
6. The following are net USACE VE savings and cost avoidance for the last five fiscal years as reported to the Department of Army and OMB (does not include results of work for other agencies):

<u>YEAR</u>	<u>MILITARY</u>	<u>CIVIL WORKS</u>	<u>TOTAL</u>
FY 94	\$ 52,464,000	\$ 63,334,000	\$ 115,798,000
FY 95	\$ 66,474,000	\$ 59,554,000	\$ 126,028,000
FY 96	\$ 44,751,000	\$ 78,521,000	\$ 123,272,000
FY 97	\$ 48,409,000	\$ 84,597,000	\$ 133,006,000
FY 98	\$ 63,751,000	\$ 86,091,000	\$ 149,842,000

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